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November 2, 2004

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Zone, Reservoir A; Cotton Valley Formation,
Reservoir A; and Lower Cotton Valley Zone,
Reservoir A; ELM GROVE FIELD, Caddo Parish,
Louisiana.

Dear Sir:

J-W OPERATING COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Zone, Reservoir A; to the Cotton Valley Formation, Reservoir A; and to the Lower Cotton Valley Zone, Reservoir A; in the Elm Grove Field, Caddo Parish, Louisiana:

Lower Cotton Valley Zone, Reservoir A

1. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Lower Cotton Valley Zone, Reservoir A, such unit being shown on an attached plat and being designated LCV RA SU91.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed additional unit in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate a unit well for, and unit operator of, the proposed additional unit as may be appropriate.
4. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 361-E, effective July 16, 1996, as amended and supplemented by the Order No. 361-E series of Orders, to the proposed additional unit.
5. To discuss such other matters as may be pertinent.

Hosston Zone, Reservoir A,
Cotton Valley Formation, Reservoir A, and
Lower Cotton Valley Zone, Reservoir A

1. To authorize Applicant to drill, designate and utilize one (1) alternate unit well for LCV RA SU91 and two (2) alternate unit wells each for CV RA SU89 and HOSS RA SU90, at the locations shown on the attached plats.

2. To approve exceptions to the well location provisions of Office of Conservation Order No. 361-A-1, effective October 1, 1972 (applicable to the Hosston Zone, Reservoir A), Office of Conservation Order No. 361-B, effective October 1, 1973 (applicable to the Cotton Valley Formation, Reservoir A), and Office of Conservation Order No. 361-E, effective July 16, 1996 (applicable to the Lower Cotton Valley Zone, Reservoir A), for any of the proposed wells the location of which, as shown on the attached plats, does not comply with the well location provisions in said Orders.

3. To find that each of the proposed alternate unit wells is necessary to efficiently and economically drain a portion of the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.

4. To expand the provisions of Office of Conservation Order No. 361-56, effective February 10, 2004, to include the Lower Cotton Valley Zone, Reservoir A, underlying LCV RA SU91, so as to approve the downhole combination of production from the Lower Cotton Valley Zone, Reservoir A, with the intervals approved for downhole combination in Order No. 361-56.

5. To discuss such other matters as may be pertinent.

The Hosston Zone, Reservoir A, in the Elm Grove Field was defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent Orders of the 361-A series of Orders.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field was defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined in subsequent Orders of the 361-B series of Orders.

The Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field was defined in Office of Conservation Order No. 361-E, effective July 16, 1996.

Pertinent data concerning this application is available for inspection at the offices of Mr. Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person wishing to inspect such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

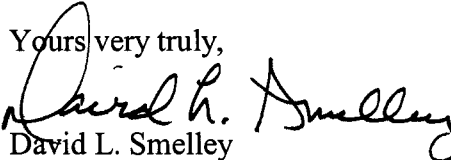
Honorable James H. Welsh
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By letter dated October 21, 2004, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set November 11, 2004, as the tentative date for the pre-application conference. No request for the conference was received; therefore, no pre-application conference was held.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats (which are identical to the plats attached to the pre-application notice except for the location of the proposed J-W Operating Company-Smith et al. 14 No. 3 Well which has been moved to the south due to topographical considerations at the original location) is enclosed herewith, and a copy of this letter and of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Elm Grove Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

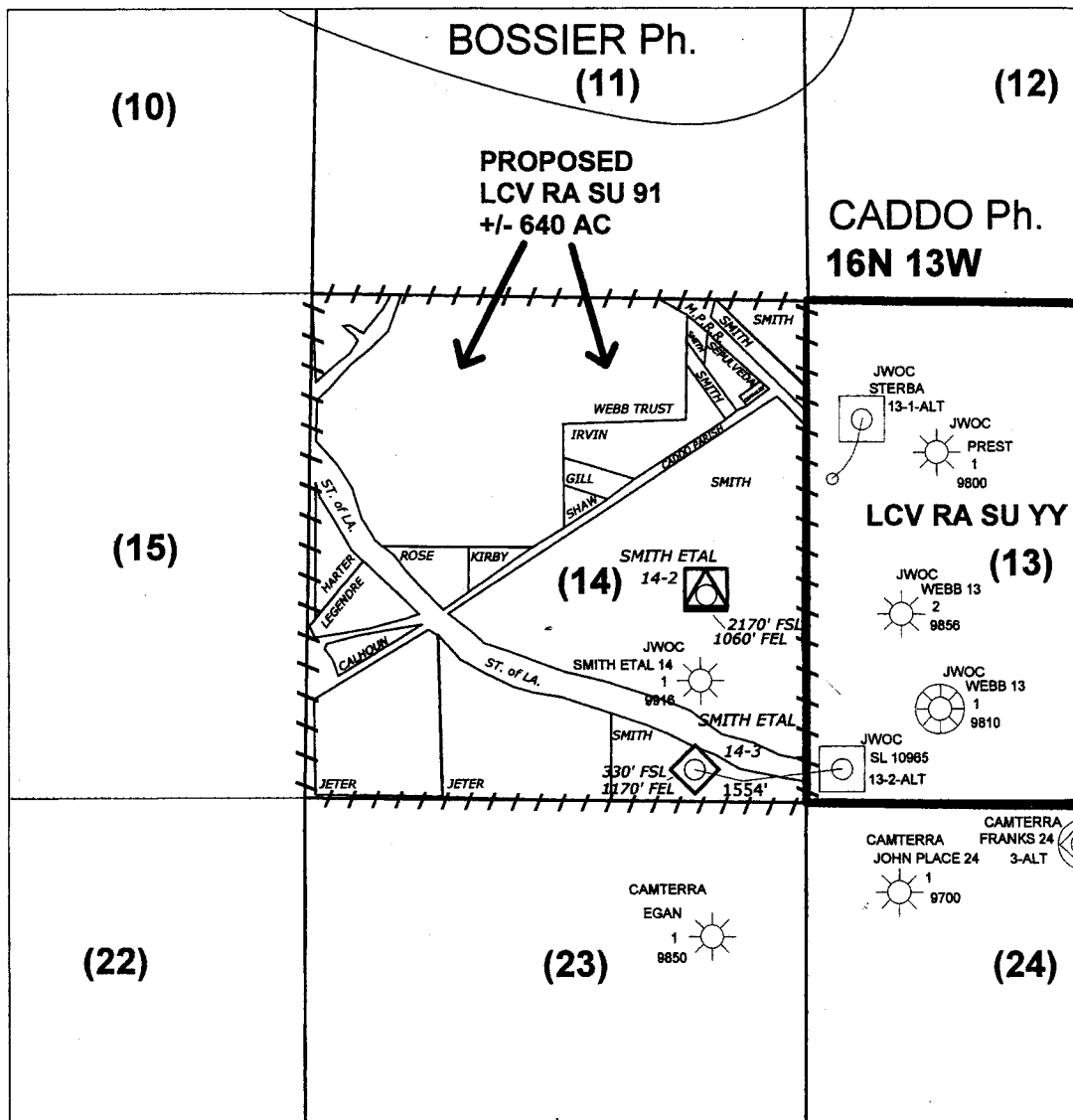
Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

David L. Smelley

-- Attorney for J-W Operating Company

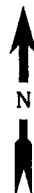
DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Jerry Wooten (w/encls.)
Mr. Joe B. Adams (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plats only)



LEGEND

- Existing Units 361-E series
- △ Proposed Unit Well
- ⊙ Unit Well
- ⊕ Approved Alternate Unit Well
- Pending Alternate Unit Well
- Posted Wells > 8300'

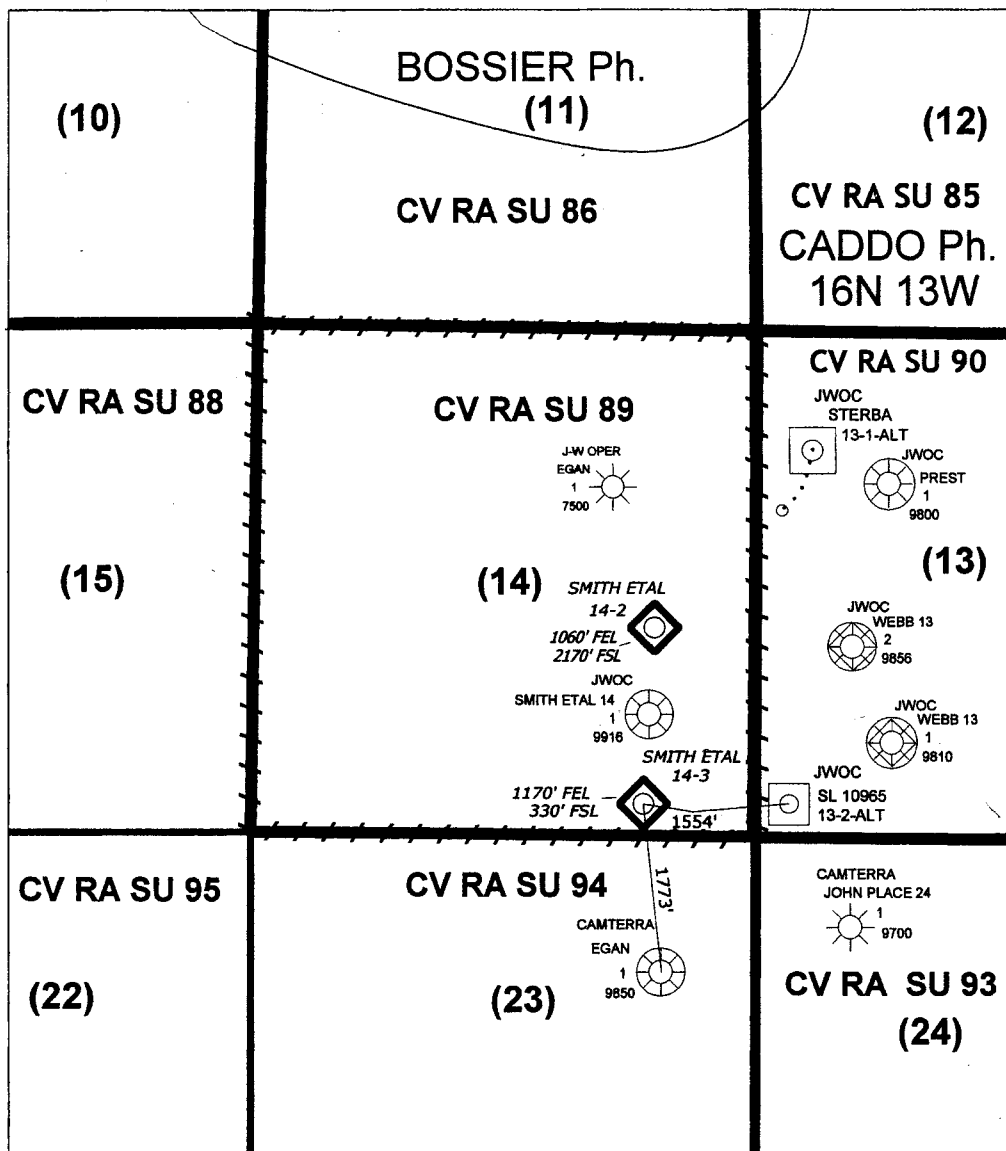


J-W OPERATING COMPANY

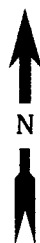
Unit Plat – Lwr. Cotton Valley Zone
Reservoir "A" Elm Grove Field
Caddo Ph., La.

DATE:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1" = 2000'	04-??



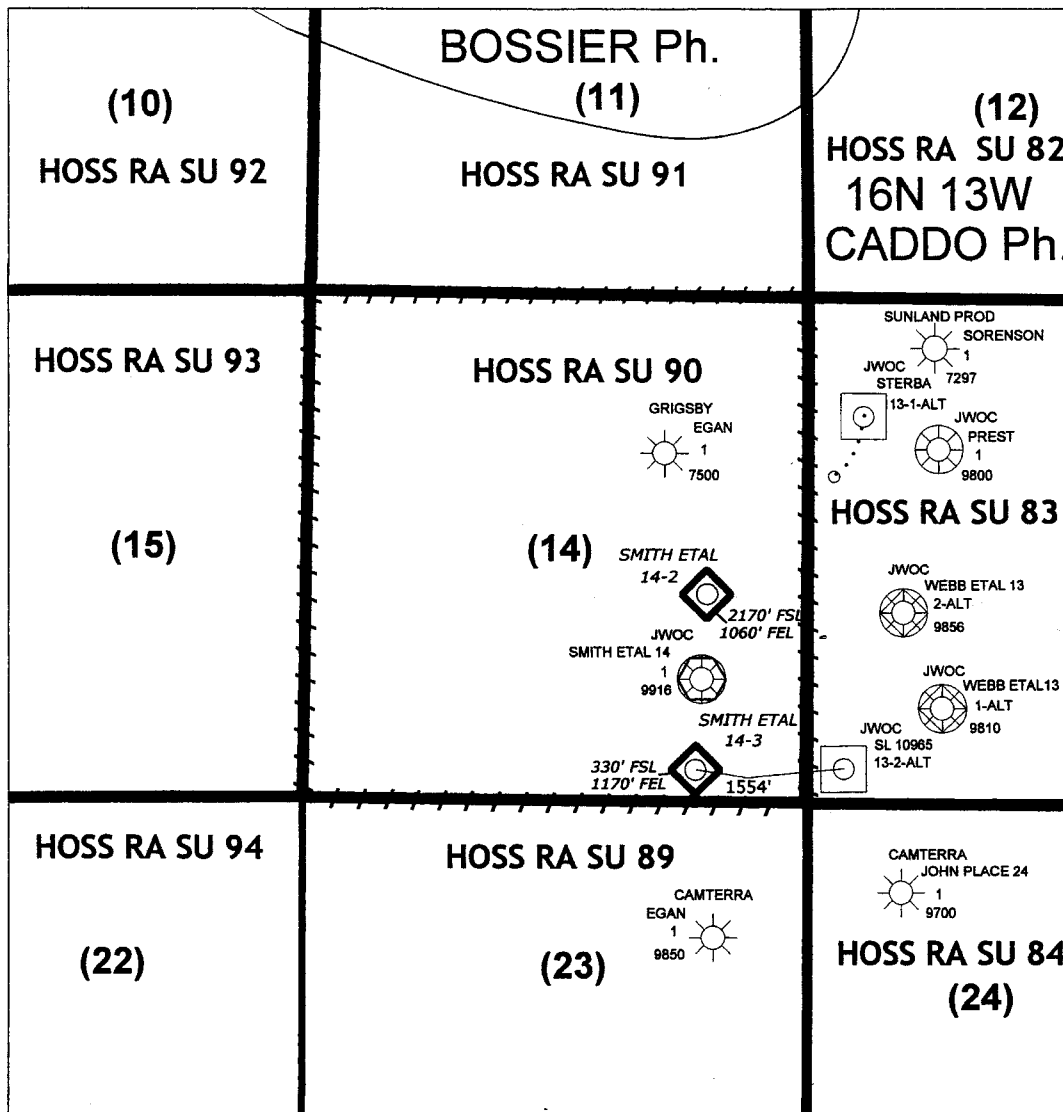


LEGEND	
—	Existing Units, 361-B series
◊	Proposed Alternate Unit Well
⊙	Unit Well
⊕	Approved Alternate Unit Well
□	Pending Alternate Unit Well
Posted Wells > 8300'	

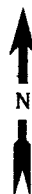


J-W OPERATING COMPANY		
Unit Plat - Cotton Valley Formation Reservoir "A" Elm Grove Field Caddo Ph., La.		
DATE:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1" = 2000'	04-??





LEGEND	
	Existing Units 361-A series
	Proposed Alternate Unit Well
	Unit Well
	Substitute Unit Well
	Approved Alternate Unit Well
	Pending Alternate Unit Well
Posted Wells > 6000'	



J-W OPERATING COMPANY		
Unit Plat - Hosston Zone Reservoir "A" Elm Grove Field Caddo Parish, La.		
DATE:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1" = 2000'	04-??

